

Valuation Information**1,000 Pound
animal unit****1,200 Pound
animal unit**

NRCS soil survey herbage production (# per acre)
 7 year Olympic Average lease (gross income/AUM)
 Adjustment for owner expense
 Net income per AUM ($\$15.72 \times 75\% = \11.79)

1,200
 \$15.72
 25%
 \$11.79

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 \$15.72
 25%
 \$11.79

Animal weight

Animal consumption, daily (3% of animal weight)
 Animal consumption, monthly (30.5 days X daily consumption,
 $30.5 \times 30 = 915$; $30.5 \times 36 = 1,098$)
 Increase in consumption, monthly ($1,098 - 915 = 183$)
 Percent increase in consumption, monthly ($183 / 915 = 20\%$)

1,000
 30
 915
 1,098
 183
 20%

1,200
 36
 1,098
 183
 20%

Herbage available for consumption (25% of of 1,200 pounds
 herbage)
 AUM/Ac (forage/monthly animal consumption, $300 / 915 = .328$;
 $300 / 1,098 = .273$)
 Decrease in AUM/Ac ($.273 - .328 = -.055$)
 Percent reduction in carrying capacity ($-.055 / .328 \text{ AUM/Ac}$)

300
 0.328
 0.273
 -0.055
 -16.67%

300
 0.273
 -0.055
 -16.67%

Net income per Acre (Net income per AUM X AUM/Ac, $.328 \times$
 $\$11.79 = \3.87 ; $.273 \times \$11.79 = \3.22)
 Capitalization rate (statutory rate, 15-7-201, MCA)
 Reduction in Net income per AUM ($\$3.22 - \$3.87 = -\$0.64$)

\$3.87
 6.4%
 -\$0.64

\$3.22
 6.4%
 -\$0.64

Percent reduction in Net income per AUM ($-\$0.64 / \$3.87 =$
 -16.67%)

-16.67%

Value per acre (Net income per AUM/Cap rate; $\$3.87 / .064 =$
 $\$60.40$; $\$3.22 / .064 = \50.33)
 Reduction in Value per acre ($\$50.33 - \$60.40 = -\$10.07$
 reduction)
 Percent reduction in Value/Acre ($-\$10.07 / \$60.40 = -16.67\%$)

\$60.40

\$50.33

-\$10.07
 -16.67%

